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February 4, 2019

Legislative and Regulatory Activities Division  
Office of the Comptroller of the Currency  
400 7th Street SW, Suite 3E-218  
Washington, DC 20219

Ann E. Misback  
Secretary, Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Robert E. Feldman, Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

**RE: OCC Docket ID OCC-2018-0038; Federal Reserve Docket No. R-1639, RIN 7100-AF30; FDIC RIN 3064-AE87**

The National Association of Appraisers (NAA) represents over 1,500 appraisers in all 50 states and is one of the fastest growing appraiser organizations in the country. We are writing today to provide comment on appraisal related rule making referenced above. NAA appreciates this opportunity to state our support for the current threshold level for requiring real estate appraisals in federally related transactions.

Appraisals are required for most first mortgage origination loans purchased by the Government Sponsored Enterprises (GSEs). Currently, federally related transactions such as real estate equity loans require an appraisal performed by a state licensed or certified appraiser for residential real estate loans with a transaction value equal to or greater than \$250,000. NAA believes increasing the appraisal threshold levels would undermine the health of the residential real estate lending industry as a whole.

The financial markets, along with Fannie Mae, Freddie Mac, FHA, and the VA, have raised the bar on the valuation requirements for new loan origination. Raising the "de minimis" transaction value limit, where less reliable valuation tools are often used to value collateral in making or renewing higher risk loans, is imprudent and not in the public interest. Given recent history, we believe that if any change is made, the "de minimis" should be *lowered* rather than raised to ensure that valuations used in making lending decisions for federally related transactions are provided by those qualified to do so: licensed/certified appraisers. While an Evaluation is required for transactions that fall below the De-Minimus threshold, evaluations receive far less scrutiny than an appraisal, and often are performed by those who have far less training, education, and expertise than a licensed or certified appraiser. Those who prepare them are often not a disinterested third party in that they

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*Please raise the home value limits to \$400,000*



**MERZLOCK APPRAISALS**  
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*Sincerely,  
John Merzlock  
Appraiser*